From: Nick Di Croce

Sent: Tuesday, November 23, 2004 1:06 PM

To: Guivetchi, Kamyar

Cc: Dabbs, Paul; Beutler, Lisa; wilkinson ; Jennifer Martin; frances ; connere

; groves

Subject: B160 Thoughts

Kamyar,

I have attached a letter which raises two questions for you.

Would appreciate your consideration of both of them.

Nick Di Croce California Trout To: Kamyar Guivetchi, DWR

From: Nick Di Croce

Subjects: Conservation Offsets and Scenarios – Input for B160

November 23, 2004

This memo is a result of my participation in the POWER Conference last week where I picked up information that may be useful for B160 and which I would like to provide as input to you for the Bulletin.

First, Conservation "Offsets." I think the term was coined partly as a result of SB610 and SB221, the "show me the water bills" passed in early 2002. It refers to the actions that water districts and developers take where the developer, in order to obtain approval for his project, must commit to cause or financially contribute to actions that will save water above the level that is needed for his project. In actual practice, this has resulted in developers installing or paying for low flush toilets, upright washers, and even farm irrigation improvements, such as drip irrigation, in existing facilities. The water districts that have implemented these "offsets" require the developer to take steps that will save twice or three times the water needed for the projects, referred to as the ratio (2:1, 3:1, etc). As a result, some communities have been able to permit some growth while reducing their net water needs.

As a result of being on a POWER panel on the subject, I contacted a number of water districts and did some research on the subject. I came away with the following main conclusions:

- 1. There are numerous success stories at the local levels where net water savings have definitely been achieved, including the City of San Luis Obispo, Cambria, Ojai and EBMUD. Some of these actions predate the Senate bills.
- 2. While "offsets" can be part of the took kit for water districts' conservation management actions, the concept has little visibility and is not widely used, despite the successes. That has partly to do with the tasks of administering it at the district level.
- 3. It is applicable to agriculture as well as urban areas, and in the case of Cambria has actually caused stream flows to improve.
- 4. The concept needs to get some visibility and support, and having it discussed in B160 or developing a BMP would be helpful; it merits that kind of coverage. It would be helpful to have some guidelines published by DWR to guide water districts who are interested
- 5. Some innovative "offset" techniques need to be developed for urban landscaping savings, since such a large percentage of urban water goes for landscaping. It would be helpful to have the building trade associations promoting this concept.

All of the above comes down to a recommendation to you to include this subject in B160 in order to help give it some "legs." I have reviewed the Bulletin for the subject and did not find any references. Could you find an appropriate place in the Bulletin to include and discuss the subject, perhaps citing some of the local success stories?

Second subject: <u>Scenarios</u>. In a presentation made by Ellen Hanack of the Public Policy Institute, she showed a slide, based partly on information obtained from the B160 team, which showed that agricultural water conservation savings over the 30 year planning horizon to be less under the "Sustainable" scenario than the "Current Trends" scenario. In my discussion with David Groves after the presentation, he indicated that this counterintuitive data is the result of more ag land being utilized under the Sustainable scenario, and that action offsets the ag water savings. While I don't know whether to conclude that more ag land will or will not be in use under the Sustainable scenario, I would hope that this scenario – which is the most aggressive water conservation scenario – would also be more aggressive in ag water savings and show that ag water conservation is the greatest of the three scenarios. Otherwise I don't think it would qualify as the "Sustainable" scenario. Could you clear me up on this anomaly?

Kamyar, I hope this information is helpful and that you will consider making the additions or changes to B160 before the Administrative Draft is finalized.

Thanks for your consideration.

Mich Di Croce_